(b) The cost of individual unit shall not exceed Rs. 2.00 lakh for new construction and Rs. 50,000 for repairs.

(c) Rate of interest to the implementing agencies (Public Housing Agencies or any agency notified for the purpose) will be 5.5% per annum.

(d) The loan is repayable in a maximum period of 20 years.

(e) The bank will provide loan upto 100% of the project cost.

Effect of NPAs of the performance of banks

4239. SHRI CHO. S. RAMASWAMY: Will the Minister of FINANCE be pleased to state:

(a) what is the total value of Non-Performing Assets of the Public Sector Banks individually for the last three financial years;

(b) what are the reasons for such huge NPAs of these banks;

(c) what steps are being taken to recover or write off these NPAs of the banks; and

(d) what is the effect of these NPAs on the performance of the banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) The bank-wise details of net non-performing assets of public sector banks for the last three years ending March 2002, 2003 and 2004 are given in the Statement. (*See* below)

(b) There are various factors, internal to a bank and external to it, which lead to an asset turning non performing. The internal factors basically pertain to deficiency in credit appraisal and supervision, diversion of funds by the borrower and willful default in repayment and inefficient management of the unit financed. The external factors on the other hand are non-viability or sickness of the unit due to change in technology demand pattern and other policy etc., non-completion of project due to cost, time, overruns and other factors, such as non-availability of raw materials, labour problems, natural calamities, environmental factors such as pollution control, ecological damage and delay in disposal by courts/DRTs of suits filed by banks for recovery.

(c) Government and Reserve Bank of India has taken several steps to reduce non-performing assets which *inter-alia* include:—

- Banks are effecting larger number of compromise settlements through the forum of Lok Adalats.

- "The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002" has been enacted empowering Banks for speedy recovery of overdue loans.
- A scheme of Corporate Debt Restructuring (CDR) for restructuring of corporate debts has been put in place.
- The management Committee and the Board of Directors are periodically reviewing the top 300 NPA accounts and NPA accounts of Rs. 1 crore and above respectively.
- Banks have strengthened the risk management systems by putting in place institutional framework for identifying, monitoring and management of credit risk.

(d) The high incidence of NPAs is curtailing the availability of funds to the banks for effective deployment and also effecting income and profit of the banks.

Statement

Net NPAs of Public Sector Banks

(*Rupees in Crores*)

Name of the Bank	2002	2003	2004
Allahabad Bank	1160	887	353
Andhra bank	237	206	121
Bank of Baroda	1913	1700	1761
Bank of India	2304	2382	2062
Bank of Maharashtra	480	459	288
Canara Bank	1288	1454	1378
Central Bank of India	1699	1562	1264
Corporation Bank	253	198	249
Dena Bank	1227	997	884
Indian Bank	904	755	383
Indian Overseas Bank	958	912	578
Oriental Bank of Commerce	454	225	0
Punjab & Sind Bank	651	639	577
Punjab National Bank	1810	1527	449
Syndicate Bank	674	700	532
UCO Bank	724	697	753
Union Bank of India	1338	1253	845
United Bank of India	542	406	299

Name of the Bank	2002	2003	2004
Vijaya Bank	373	206	100
State Bank of India	6810	6183	5442
State Bank of Bikaner & Jaipur	342	282	107
State Bank of Hyderabad	417	315	77
State Bank of Indore	153	138	0
State Bank of Mysore	362	273	186
State Bank of Patiala	255	161	0
State Bank of Saurashtra	294	164	0
State Bank of Travancore	425	280	154
TOTAL (Public Sector Banks)	27958	24963	18852

Closure of loss making rural branches of banks

†4240. SHRIMATI SAVITA SHARDA: Will the Minister of FINANCE be pleased to state:

(a) the total number of rural branches of Public Sector Banks running into losses in the National Capital Region of Delhi;

(b) whether Government propose to close down the branches which are running into losses; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) As on 31st March 2004, no rural branch of public sector banks of Delhi region has incurred any loss.

(b) and (c) Do not arise.

Operation of Senior Citizens Savings Scheme in Karnataka

4241. SHRI K.B. KRISHNAMURTHY: Will the Minister of FINANCE be pleased to state:

(a) whether Senior Citizens Savings Scheme is being implemented in Karnataka;

(b) if so, the number of senior citizens who invested in this Senior Citizens Savings Scheme;

(c) the amount so far invested under this scheme; and

†Original notice of the question was received in Hindi.